

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 302 - HB 646

March 2, 2017

SUMMARY OF BILL: Establishes that the bail bond tax collected by a bail bondsman shall be excluded from the gross sales reported on the business tax return, or deducted from the gross sales if included in gross sales on the business tax return.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$2,800

Decrease Local Revenue – \$3,800

Assumptions:

- Bail bond tax collections in FY15-16 were \$1,759,039.
- Bail bondsmen are Class 3 business taxpayers, for whom the business tax rate is 0.1875 percent.
- It is assumed that bail bondsmen are subject to both the county and municipal business taxes.
- The total recurring decrease in business tax revenue is estimated to be \$6,596 ($\$1,759,039 \times 0.1875\% \times 2$).
- Approximately 42.5 percent of business tax collections are allocated to the state, with the remaining 57.5 percent allocated to the local governments.
- The recurring decrease in business tax revenue is estimated to be \$2,803 for the state ($\$6,596 \times 42.5\%$) and \$3,793 for the local government ($\$6,596 \times 57.5\%$).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

/bs